

Mr. Doherty
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Thirty-Third Annual Report



CANADIAN MALARTIC
GOLD MINES
LIMITED

1965

For the Year Ended December 31, 1965

CANADIAN MALARTIC GOLD MINES LIMITED

HEAD OFFICE

7 KING STREET EAST, TORONTO 1, ONTARIO

MINE OFFICE
MALARTIC, QUEBEC

OFFICERS

J. P. MILLENBACH
President

G. T. N. WOODROOFFE
Vice-President

J. T. McWHIRTER
Treasurer

D. D. ANDERSON
Secretary

DIRECTORS

H. C. HERZ

J. P. MILLENBACH

R. C. MOTT

P. N. PITCHER

J. T. McWHIRTER

G. T. N. WOODROOFFE

TRANSFER AGENTS

THE ROYAL TRUST COMPANY
Toronto and Montreal

AUDITORS

GUNN, ROBERTS AND CO.
Toronto

The Annual Meeting of the Shareholders of Canadian Malartic Gold Mines Limited will be held in The Queen's Park Room, King Edward Sheraton Hotel, 37 King Street East, Toronto, Ontario, on Tuesday, April 19, 1966 at 2:30 o'clock in the afternoon (Toronto Time)

Report of the Directors

To the Shareholders,
Canadian Malartic Gold Mines Limited.

Your Directors submit herewith the Annual Report of your Company, together with the financial statements and the Auditors' Report thereon as at December 31, 1965.

Mining and milling operations terminated in January and the clean-up of the mill circuit was completed the following month. Details of ore treatment during the first two months of 1965 were given in the Annual Report for the preceding year. Most of the underground equipment and surface mining machinery was sold during the year.

Marbridge Mines Limited is continuing its milling operation at Malartic, employing for that purpose its own facilities as well as certain buildings and equipment owned by your Company. An agreement was entered into as of May 1, 1965 whereby Marbridge pays the net operating expenses plus \$2,500 per month for the right to utilize the property, plant and facilities of Canadian Malartic for a period of five years, subject to termination by either party on six months notice.

The termination payment plan established for employees was concluded on June 30, 1965

and all remaining benefits accrued under the plan have been remitted to qualified employees.

Revenue for the year amounting to \$410,069 consisted of final bullion sales, final Emergency Gold Mining Assistance, investment income and sales of fixed assets and salvaged materials. Total expenses of \$165,221 were comprised of the final operating charges, shut-down expenditures and a write-down of mine and mill supplies. A net income of \$244,848 resulted.

Working capital at December 31, 1965 was \$281,886.

After obtaining supplementary letters patent a partial distribution of capital, consisting of 72 cents cash and $\frac{1}{3}$ of an issued share of Dunraine Mines Limited for each issued share of your Company, has been made to shareholders.

Your directors wish to record their appreciation of the efficient services rendered to the Company by the officers and mine staff.

On behalf of the Board,

J. P. MILLENBACH,

President.

Toronto, Ontario, March 23, 1966.

CANADIAN MALARTIC

(Incorporated under the laws of the Province of Ontario)

Balance Sheet —

ASSETS

Current Assets

Cash	\$ 59,501
Short term investments at cost	49,443
Accounts receivable	173,696
Amount receivable under the Emergency Gold Mining Assistance Act	54,503
	<u>\$ 337,143</u>

Supplies and Prepaid Expenses

Materials, supplies and spare parts at estimated net realizable value	15,000
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Other Assets

Mining properties, buildings, machinery and equipment at nominal value	1
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\$ 352,144

AUDITORS' REPORT

We have examined the balance sheet of Canadian Malartic Gold Mines Limited as at March 9, 1966. Our examination included a general review of the accounting procedures and circumstances.

In our opinion the accompanying balance sheet and statements of income and the results of its operations for the year then ended, in accordance with generally accepted accounting principles, are fairly presented.

Toronto, Canada,
March 9, 1966.

GOLD MINES LIMITED

(Incorporated under the laws of Canada)

December 31, 1965

LIABILITIES

Current Liabilities

Accounts payable and accrued liabilities \$ 55,257

Shareholders' Equity

Capital stock (note 1)

Authorized — 4,000,000 shares of no par value

Issued — 3,651,355 shares \$ 92,534

Retained earnings 204,353 296,887

Approved on behalf of the Board:

J. P. MILLENBACH, Director.

H. C. HERZ, Director.

\$ 352,144

THE SHAREHOLDERS

December 31, 1965 and the statements of income and retained earnings for the year then
of accounting records and other supporting evidence as we considered necessary in the

ed earnings present fairly the financial position of the company as at December 31, 1965
d accounting principles applied on a basis consistent with that of the preceding year.

GUNN, ROBERTS and CO.,
Chartered Accountants.

CANADIAN MALARTIC GOLD MINES LIMITED

Statement of Income

For the year ended December 31, 1965

Revenue

Metals produced	\$ 103,190	
Less marketing expenses	1,738	
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	101,452	
Assistance under the Emergency Gold Mining Assistance Act	4,980	
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	106,432	
Rental of plant	20,000	
Interest and dividends	98,014	
Profit on sale of fixed assets	171,470	
Salvage revenue (net)	14,153	\$ 410,069
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Expenses

Mining	10,425	
Milling	19,581	
Mine office and supervision	7,252	
General expense at the property	19,190	
Administrative and corporate expense	35,254	
Quebec mining tax	3,302	
Shut-down expense	23,697	
Mine and mill supplies written off	42,399	
Outside exploration	4,121	165,221
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Net income for the year (notes 2, 3 and 4)		<u>\$ 244,848</u>

Statement of Retained Earnings

For the year ended December 31, 1965

Balance January 1, 1965		\$1,602,614
Add		
Net income for the year	\$ 244,848	
Investment in shares in Dunraine Mines Limited written up to market value	424,657	669,505
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		2,272,119
Deduct amounts capitalized as authorized by Supplementary Letters Patent dated October 29, 1965		
Amount by which investment in shares in Dunraine Mines Limited was written up to market value	424,657	
Retained earnings capitalized	1,643,109	2,067,766
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Balance December 31, 1965		<u>\$ 204,353</u>

CANADIAN MALARTIC GOLD MINES LIMITED

Notes to Financial Statements

For the year ended December 31, 1965

1. Changes in Capital

Balance January 1, 1965		\$1,201,446
Add amounts capitalized as authorized by Supplementary Letters Patent dated October 29, 1965		2,067,766
		<u>3,269,212</u>
Deduct		
Cash distribution of 72¢ per share	\$2,628,976	
Shares of Dunraine Mines Limited distributed on the basis of 1/3 of a share for each share of Canadian Malartic Gold Mines Limited	547,702	3,176,678
Balance December 31, 1965		<u>\$ 92,534</u>

2. No provision for income taxes is required due to the application of allowable income deductions carried from prior years.
3. Amounts received for ore milled on a custom basis during the period January 1 to April 30, 1965 have been applied to reduce expenses.
4. The company discontinued mining operations in January, 1965.
5. Remuneration of officers and employees who are directors amounted to \$5,062.

CANADIAN MALARTIC GOLD MINES LIMITED

Statement of Production and Earnings by Years

Year	Tons Milled	Percentage Recovery	Price Received Per Oz. Gold	Value of Metals Excl. E.G.M.A.	Est. E.G.M. Assistance	Value Per Ton Inc. E.G.M.A.	Operating Costs Amount	Operating Profit Amount	Per Ton	Dividends Paid Amount	Per Share
				\$	\$	\$7.21	\$	\$		\$	\$
1935	38,599	92.10	\$35.17	278,391.16		5.69	185,275.26	93,115.90	\$2.41		
1936	121,922	90.18	35.04	693,155.32		4.45	483,785.04	209,370.28	1.72		
1937	232,326	88.40	34.98	1,034,382.68		4.40	597,699.22	436,683.46	1.88	181,342.75	.05
1938	243,640	90.20	35.19	1,121,784.67		4.40	648,778.30	473,006.37	1.94	328,621.96	.09
1939	244,720	89.40	36.32	1,075,999.86		4.13	630,405.49	445,594.37	1.82	328,621.96	.09
1940	275,693	88.70	38.50	1,138,377.47		4.39	699,690.02	438,687.45	1.59	292,108.40	.08
1941	293,011	88.23	38.50	1,287,171.46		3.97	885,683.61	401,487.85	1.37	292,108.40	.08
1942	358,732	87.90	38.50	1,424,665.58		3.83	946,371.49	478,294.09	1.33	292,108.40	.08
1943	323,697	88.47	38.50	1,239,477.06		4.16	919,838.32	319,638.74	.99	146,054.20	.04
1944	334,575	89.36	38.50	1,390,538.85		4.29	1,012,750.77	377,788.08	1.13	146,054.20	.04
1945	327,093	90.90	38.50	1,400,797.79		4.05	1,022,415.59	378,382.20	1.16	146,054.20	.04
1946	317,026	89.22	36.71	1,283,353.82		3.70	1,060,195.16	223,158.66	.71	146,054.20	.04
1947	335,317	89.75	35.00	1,241,499.23		3.58	1,069,705.82	171,793.41	.51	146,054.20	.04
1948	344,528	89.15	35.03	1,158,154.24	74,000.00	3.49	1,104,683.41	127,470.83	.60	146,054.20	.04
1949	452,887	88.75	36.29	1,445,764.11	136,145.00	3.78	1,308,299.24	273,609.87	.64	146,054.20	.04
1950	470,705	89.79	37.98	1,672,843.36	107,909.13	3.47	1,480,718.30	300,034.19	.54	146,054.20	.04
1951	462,203	87.64	36.78	1,438,585.73	165,374.00	3.12	1,353,813.34	250,146.39	.06	73,027.10	.02
1952	469,478	88.53	34.24	1,281,389.18	185,000.00	3.66	1,438,726.66	27,662.52	.67		
1953	473,203	89.41	34.42	1,506,088.84	225,000.00	3.77	1,416,996.14	314,092.70	.53		
1954	472,802	89.78	34.07	1,560,377.30	221,000.00	3.82	1,529,874.74	251,502.56	.54		
1955	469,431	90.55	34.57	1,620,190.76	172,800.00	3.45	1,537,773.52	255,217.24	.41		
1956	472,461	89.52	34.44	1,446,594.31	185,000.00	3.80	1,434,946.70	196,647.61	.58		
1957	462,821	90.15	33.59	1,619,029.49	140,000.00	3.86	1,488,462.32	270,567.17	.69		
1958	472,531	90.40	33.95	1,660,151.83	157,000.00	3.71	1,496,670.84	320,480.99	.15		
1959	467,413	89.40	33.57	1,383,973.27	350,000.00	3.67	1,663,338.31	70,634.96	.18		
1960	468,694	89.00	33.96	1,379,008.72	340,000.00	3.74	1,635,480.04	83,528.68	.34		
1961	472,797	89.60	35.50	1,458,643.00	310,000.00	3.63	1,607,464.00	161,179.00	.50		
1962	395,406	87.20	37.42	1,126,660.00	310,000.00	3.72	1,358,027.00	78,633.00	.83		
1963	330,434	88.10	37.75	1,051,643.00	180,000.00	4.05	1,065,475.00	166,168.00	2.50		
1964	329,388	90.50	37.74	1,206,347.00	130,000.00	6.18	1,062,055.00	274,292.00			
1965	13,737	93.93	37.59	84,855.00			50,520.00	34,335.00			
Total	10,947,270			\$ 38,709,894.09	\$ 3,389,228.13		\$ 34,195,918.65	\$ 7,903,203.57		\$ 3,120,683.55	\$.85 1/2

CANADIAN MALARTIC QUARTER CENTURY CLUB

P. CARRIERE

J. CHAMBERS

F. KOSTELAC

F. H. DECHAMPLAIN

A. O. DURANT

C. A. FOX

A. G. FULTON

A. GAGNON

E. GERMAIN

C. GUDBRANSON

H. C. HERZ

O. JUSSILA

M. KRMPOTICH

E. LABRECQUE

G. LAGACÉ

R. LAPIERRE

T. LINDSLEY

W. McDONALD

W. McGUIRE

A. R. MEYERS

J. P. MILLENBACH

J. OBZETICH

N. PETRO

G. ST-LOUIS

R. VACHON

J. E. WATSON

J. WEISS*

R. W. YOUNG

*Deceased

